



Arbor – October 2025 CLO Update

Among apparent hard-coded improvements to historical data, Arbor has reduced the rates of delinquent loans to 0%, and brought them current. Interest spreads collapse despite rate cuts

PLEASE READ IMPORTANT DISCLAIMER – PAGE 7

October 28, 2025 –Arbor’s October CLO reporting data is **completely fabricated**. We have reported significant misstatements in the past about obvious errors in Arbor’s CLO reporting, however no single month has recorded so many erroneous entries in its CLO reporting.

October 2025 Update	ARCREN 2021-FL3	ARCREN 2021-FL4	ARCREN 2022-FL1	Total
Total deal balance	719,053,705	1,532,870,937	1,455,897,652	3,707,822,294
< 1 Month	129,575,000	151,008,278	118,428,000	399,011,278
30 Days	12,500,000	41,475,000	82,580,000	136,555,000
60 Days	59,500,000	-	2,715,000	62,215,000
90+ Days	-	172,574,787	67,265,000	239,839,787
Modified	643,028,926	1,223,299,210	1,225,782,696	3,092,110,832
Nitya Loans moved to 0%				240,401,402
<i>Adjustment for double count*</i>	<i>(201,575,000)</i>	<i>(345,758,065)</i>	<i>(127,020,000)</i>	<i>(674,353,065)</i>
Total delinquent & modified	643,028,926	1,242,599,210	1,369,750,696	3,495,780,234

* Double count adjustment for loans both modified and delinquent.

Figure 1 – October 2025 CLO Data – Viceroy Analysis

- Arbor has cured \$350m of EOQ delinquencies by cutting rates on 5 large Nitya Capital CLO loans to 0.00%.
 - The assets underlying these loans largely consist of homicide hotspots (they are literally on fire).
 - The operators have consistently failed to properly maintain the portfolio, and have historically not paid suppliers, who were subsequently forced to close doors. This is on-brand for Arbor.
 - Many of these now-0.00% loans are **not** recorded as having been modified.
 - Nitya CEO, Swapnil Agarwal, has received an EY Entrepreneur of the Year award.
 - The underlying DSCR of these loans range from 15% - 50%, while cap rates range from 1% - 2.7%
 - Case studies of Nitya’s underlying investments can be found Annexed to this report.**
- Our analysis shows Arbor has manually hard-coded financial data of its borrowers to *deflate* their returns and improve the financial image of their borrowers.
 - It appears the Company used a goal-seek function to generate LTM debt servicing costs for its borrowers. These exact LTM numbers calculated from current data are obviously impossible given we have experienced 2 rate cuts in the last 12 months¹.
 - Financial data reported in October 2025 is, in many cases, the same reporting period as last month. Despite this, debt servicing data has shifted dramatically month-on-month.
 - Borrowers’ debt servicing costs (i.e. Arbor’s revenues) have been adjusted down by \$51m per annum.
 - We believe Arbor have materially fabricated this data to window-dress the ability of their tenants to **repay** their loans.
- \$730m of CLO loans have been modified in Q3 2025 alone.
 - \$160m of these are already delinquent again.
 - \$250m of loans were modified this month, representing ~7% of the CLO book. One of these loans (Group ID 347857, \$41.5m) was also modified last month, and remains >60 days delinquent.

¹ Individual accounts are made up LTM to August-September 2025.



October 2025 Update	ARCREN 2021-FL3	ARCREN 2021-FL4	ARCREN 2022-FL1	Mixed	Total
Underlying Revenue	74,464,281	159,284,784	138,162,665	85,735,340	457,647,069
Underlying Expenses	(37,931,886)	(74,128,379)	(72,699,011)	(40,191,984)	(224,951,259)
Underlying NOI	36,532,395	85,156,405	65,463,655	45,543,356	232,695,810
Debt Service Amount	(47,419,289)	(95,798,519)	(81,358,955)	(53,692,269)	(278,269,032)
Debt Service "Disappeared" in Oct 2025					(44,851,146)
DSCR	0.77	0.89	0.80	0.85	0.720
Debt Outstanding	563,903,926	1,245,340,754	1,167,311,542	731,266,072	3,707,822,294
Tranches moved to REPO					283,474,095
Underlying Collateral Valuation	700,980,000	1,756,240,000	1,784,700,000	965,130,000	5,207,050,000
Implied Cap Rate**					4.47%
LTV**					77%

Figure 2 – October 2025 CLO Data – Viceroy Analysis

- Arbor has bought-out a loan in its CLO for \$83m, and resold it back to another CLO for the same price, removing recorded modifications attached to the loan, and fabricating new underlying asset performance data.
 - Group ID loan #339923 recorded a “principal collection” of \$83.97m. The underlying asset last reported financials for the LTM ending 31 July 2025.
 - NOI \$0.105m
 - DSCR 1.6%
 - Occupancy 52%
 - Valuation - \$82m
 - A new loan for \$83.97m appears against an underlying asset with vastly improved numbers and no modifications.
 - NOI \$7m
 - DSCR 177%
 - Occupancy 90%
 - Valuation \$124m

This is fraud. There is no underlying operational improvement secured against these loans, no opportunity to transition these loans into agency, or any other feasible lending product, and (obviously) no buyer for these loans at their marked price. These loans are in transition to foreclosures, and nothing else.



Spread Analysis

Arbor spreads have collapsed significantly in October due to the application of 0% rates on Nitya loans.

Arbor has faced net interest spread reductions of up to 125% across its CLO portfolios. It now LOSES on making loans in 2022 FL1

Across the CLOs net interest spreads since December 2023 are down:

- -125% in 2022-FL1
- -29% in 2021-FL3
- -49% in 2021-FL4

Any marginal m/m improvement is merely a factor of a small handful of loans paying what they can afford in a very volatile fashion. The spreads of various loans appear to change each month, as many delinquent borrowers appear to have been given flexible payment terms which change month-on-month, without new modifications or delinquencies being recorded.

2022 FL1	Oct-25	Sep-25	Jun-25	Mar-25	Oct-24	Dec-23
Weighted average spread	1.42	2.51	2.47	2.82	3.06	3.60
Current debt spread	1.88	1.88	1.88	1.88	1.74	1.74
Delta - Net Interest Spread	-0.46	0.63	0.59	0.94	1.32	1.86
Downturn since Dec 2023	-125.0%	-65.9%	-68.5%	-49.3%		
2021 FL3	Oct-25	Sep-25	Jun-25	Jan-25	Oct-24	Dec-23
Weighted average spread	3.00	2.84	2.82	3.08	3.05	3.61
Current debt spread	1.37	1.37	1.37	1.37	1.32	1.32
Delta	1.63	1.47	1.45	1.71	1.73	2.29
Downturn since Dec 2023	-28.7%	-35.8%	-36.9%	-25.4%		
2021 FL4	Oct-25	Sep-25	Jun-25	Jan-25	Oct-24	Dec-23
Weighted average spread	2.72	3.30	3.39	3.35	3.47	3.77
Current debt spread	1.63	1.63	1.63	1.63	1.62	1.62
Delta	1.09	1.67	1.76	1.72	1.85	2.15
Downturn since Dec 2023	-49.4%	-22.2%	-18.3%	-19.8%		

Figure 3 – Viceroy Spread Analysis

We have detailed this in our November report, which can be found in the link below:

<https://viceroyresearch.org/2024/12/16/arbor-pik-ing-holes-in-clo-data/>

Modifying loans to distressed tenants is always at a direct cost to the lender. Arbor has made enormous concessions to its (almost exclusively distressed) lenders to keep them current.

The portfolios are teetering on the edge of a negative spread with over 95% of borrowers operating at a loss. The portfolio has an LTV ratio of ~80% (approximately a 4.2% cap rate), with Arbor holding the equity stake.

Given historic low spreads across its portfolio, we expect Arbor's interest income to fall to historic lows in its forthcoming 10-Q. Per figure 8 above, we can see net interest spreads fall materially quarter-on-quarter.

Our previous work on Arbor's loans to management and increasing use of expensive repo lines to finance its failing loans is available at the link below:

<https://viceroyresearch.org/2025/08/06/arbor-q2-2025-financial-shenanigans/>



Annexure 1 – Nitya Capital Sample

Shore House – Engulfed by flames last week. Residents were advised by the apartment complex earlier in the year to leave their fire extinguishers outside for replacement, however they never received a new one.

By [Alexus Cleavenger, Action News Jax](#)

October 23, 2025 at 4:59 pm EDT

JACKSONVILLE, Fla. — A University of North Florida (UNF) student and her family are picking up the pieces after a fire destroyed their southside home.

The fire happened earlier this week at the Shore House apartments.

“This is a lot for us right now,” said UNF student KeAisa Scott.

Scott came home from the grocery store on Monday to see her kitchen engulfed in flames.

She said her sister was cooking on the stove and walked away for just seconds. When she returned, she was met with flames.

“Fire started behind the stove,” said Scott.

Within minutes, everything they owned was gone.

“Seeing all the hard work of my mom, she’s a single parent, the clothes she paid for, the shoes, everything that’s she’s worked hard for engulfed in flames,” said Scott. “It broke my heart.”

Scott said before firefighters arrived, her mom searched for a fire extinguisher, but none could be found, not in their unit or in any of their neighbors.

The family said earlier this year they were told by the apartment complex to place their extinguishers outside their doors to be replaced because they were outdated. But they say that they never got a new one.

“If we had that fire extinguisher in our apartment...we could have saved this fire,” said Scott. “That’s what’s heartbreaking to my mom and my family at the moment.”

Action News Jax Alexus Cleavenger went to the leasing office at Shore House to try and speak with the property manager.

They were not there at the time she stopped in, so she sent an email with questions about the fire

Figures 4, 5 & 6 – “It broke my heart’: Jacksonville family loses everything in apartment fire” – ActionNewsJax.com²

- NOI - \$2.3m
- DSCR – 47%
- Cap Rate – 2.6%

² <https://www.actionnewsjax.com/news/local/it-broke-my-heart-jacksonville-family-loses-everything-apartment-fire/IK7XDG5M3VET3GLNDROVATJZAY/>



Caden at East Mil – Site of multiple verified and alleged shootings, and fires. The Caden carries a flawless 1-star rating on yelp over many years.

By **WFTV.com News Staff**

August 02, 2022 at 10:46 pm EDT

ORANGE COUNTY, Fla. — The Orange County Sheriff's Office is asking the public for help solving a murder.

Deputies responded to the Caden at Lakeside Apartments just before 1 p.m. Sunday for reports of a shooting.

They arrived to find a black Nissan Altima that had crashed into a pickup truck.

In the Nissan, they found 39-year-old Wingly St. Vil with obvious "traumatic" injuries. He died at the scene.

Figures 7, 8 & 9 – "Deputies identify man found shot to death in crashed car at Orlando apartments" – WFTV.com³



Kaytee C.

Newport News, VA

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Dec 28, 2024 · Updated review

Still a POS place to live, thankfully I moved but my brother is still living at the Caden. I can give you horror story after horror story about this place and quite honestly have no clue how they're still in business.

A couple months ago a young lady was SHOT going into her apartment by a drive by that happened in the parking lot. This young lady had NOTHING to do with the situation and was simply going into her home.

A couple weeks ago a homeless man started a fire that burned down a whole unit next to my brothers apartment by making a fire on a burner to stay warm.

Please for your well being and safety look to stay elsewhere, your safety is more important and I can promise you the owners of this facility and their "security" give ZERO about you or your family.



Memysefandi ..

Kansas City, MO

@ 0 299 799



Feb 13, 2025 · Updated review

they managed to get even worse after a fire. disgusting. im so sad that people live in these conditions. I hope they have a lot of people that does not pay rent so they can have the same loss that honest people who work hard to live in this shitty place because they cant afford anywhere else. honestly, its better to be homeless than live here.

Figures 10 & 11 – Yelp Reviews of Caden at East Mil

- NOI - \$1.1m
- DSCR – 15%
- Cap Rate – 1.0%

³ <https://www.wftv.com/news/local/deputies-identify-man-found-shot-death-crashed-car-orlando-apartments/V67J6VLCXNEGTEKDNCOL32SFHQ/>



Boat House Apartments – Site of multiple homicides.

Police ID man found dead at Boat House Apartments in Arlington

Jacksonville police investigating death as homicide

Police have not announced the cause of Hernandez's death, but they said they are investigating his death as a homicide.

Figure 12 – news4jax.com⁴

JSO: Man in critical condition after being shot in the head at Boat House Apartments in Jacksonville

JSO's Sergeant Scott says a man was walking in the apartment complex when he was shot by an unknown suspect who then fled the scene on foot.

Figure 13 – firstcoastnews.com⁵

- NOI - \$1.8m
- DSCR – 47%
- Cap Rate – 2.7%

⁴ <https://www.news4jax.com/news/2018/06/18/police-id-man-found-dead-at-boat-house-apartments-in-arlington/>

⁵ <https://www.firstcoastnews.com/article/news/crime/man-in-critical-condition-after-being-shot-in-the-head-at-boat-house-apartments-in-jacksonville/77-81cfde92-605f-4047-8c28-88b55388f446>



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You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

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